

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO. 2019-226-E

Late Filed Exhibit of David G. Hill, Ph.D.

Dr. David G. Hill submitted direct and surrebuttal testimony on behalf of the South Carolina Coastal Conservation League (“CCL”) and the Southern Alliance for Clean Energy (“SACE”) in the above-captioned proceeding in which he testified that the 2020 Integrated Resource Plan (“2020 IRP”) filed by Dominion Energy South Carolina (“DESC” or “the Company”) did not fairly evaluate a high demand-side management (“DSM”) case as required by the Energy Freedom Act (“EFA”). Dr. Hill recommended that the Commission reject Dominion’s IRP as filed and require DESC to amend its 2020 IRP to include such an analysis.

On October 14, 2020, during the evidentiary hearing for Docket No. 2019-226-E, Commissioner Ervin requested a late-filed exhibit of Dr. Hill identifying an action plan the Company could implement to fairly evaluate a high DSM case representing 1% or higher savings levels in an amended 2020 IRP and in future IRPs.

In response to Commissioner Ervin’s request, SACE and CCL submit the following DSM Action Plan, which identifies a series of steps the Company should take to implement Dr. Hill’s recommendations. Steps 1 and 2 below are those immediate next steps that DESC needs to complete to rectify its failure to analyze a high DSM case in the 2020 IRP. Steps 3 through 5 are follow-up actions the Commission could require of the Company in preparation for future IRP Updates and its 2023 IRP. The sequencing of the recommended DSM Action Plan also takes into account the fact that some of the recommended steps will require more time than others, and interim actions are appropriate and helpful as the full set of recommendations are implemented. SACE and CCL appreciate the opportunity to make these recommendations, and Dr. Hill is available to provide any further follow up or clarifications as required.

Proposed DSM Action Plan

Step 1: Conduct a rapid assessment of the cost effectiveness and achievability of ramping up the Company's current portfolio to achieve at least 1% annual savings in 2022, 2023 and 2024. (3 months estimated time frame, moderate level of effort required)

For DESC to increase its savings to the 1% level would require roughly 140 GWh of additional savings through 2024. DESC shall work with stakeholders and/or a selected contractor to develop a set of modifications to increase program savings and budgets for its current portfolio of measures and programs. If DESC maintains that market acceptance or other factors limit the ability to scale programs, any such limitations shall be identified and explained in detail. To the degree possible, DESC shall consider scaling programs and measures that will maximize cumulative savings. At a minimum, the Company should be required to share its initial approach to these modifications with stakeholders for review and consideration, allowing for stakeholder recommendations and or questions. Figure 1 below shows an illustrative example¹ of the kind of adjustments DESC could make to its portfolio to capture this level of savings:

	Additional GWh (4 years)		Simple Budget scaling increase	Dollars - Million
Muni	19	increase outreach to match the 54,000 units identified in the plan	\$	19.0
SBDI	17	25% increase in participation	\$	3.2
NEEP	24	Double participation	\$	4.7
HERS	12	move to opt out 2 years earlier in 2021	\$	2.0
Res HVAC	6.8	25% increase focusing on electric resistance heat replacements	\$	3.8
Energy Wise	63	25% increase	\$	13.5
Total	141.8		\$	46.2

Figure 1: Illustrative Example of Portfolio Adjustments to Increase Savings

After developing this initial set of modifications, the Company should then rescreen measures for cost effectiveness and achievability. DESC should share and review these results with stakeholders and make further adjustments if needed.

¹ The example is not meant to limit or to pre-judge the best mix of optimal adjustments to the volume and allocation of funds within the current portfolio.

DESC can then include the resulting new portfolio – a portfolio that proposes to achieve 1% or greater savings in each of the years 2022, 2023 and 2024 – in its refiled IRP. In the Action Plan for its refiled IRP, DESC should be required to indicate action steps that would be necessary to expand its energy efficiency program budget and make other program modifications needed to meet the savings levels in the revised portfolio.

Step 2: Revise IRP modeling to include assessment of higher-level savings decrements for DSM resources. *(3 months estimated time frame, moderate level of effort)*

In parallel with step 1 above, as DESC conducts its revised IRP modeling it should also conduct an analysis on DSM decrements at four higher levels of capacity and energy savings: 1.25%, 1.5%, 1.75% and 2%. DESC should work with stakeholders and permit input on the development, review, and revision of the characterization of these levels of DSM savings in the refiled IRP.

Step 3: Work with EE advisory group to review EE profiles and portfolios that would reach these levels of savings. *(6 months estimated time frame, moderate-high level of effort)*

Based on the results of action step 2, DESC should convene its stakeholder advisory group, potentially also working with a consultant, to further modify and revise its DSM portfolio so that the cost effectiveness and achievability of portfolios reaching levels of 1.25% to 2% annual incremental savings can be ascertained. While step 1 assumes the program designs and programs within the portfolio remain the same as the current plan (albeit with increased budget and savings targets), the revised portfolio in action step 3 will explicitly include consideration of substantive additions and modifications to the DSM portfolio. The Company should provide opportunities for iterative review, input and feedback on the analyses and portfolio development.

Step 4: Conduct cost effectiveness and achievability analyses of the higher-level DSM

portfolios. *(Estimated time frame 3 months after conclusion of action step 3, minimal level of effort)*

DESC should next conduct cost effectiveness screening for the 1.25% to 2% portfolios it developed under action step 3 above. In doing so, DESC should be required to provide an opportunity for stakeholders to review and comment on the structure of the cost effectiveness tests, avoided costs, and other assumptions DESC plans to use. The output from this step is a “high DSM case” that will have been fairly evaluated for cost effectiveness and achievability and can be included in DESC’s next IRP Update or IRP.

Step 5: Include new High DSM case based on steps 2-4 in DESC’s next IRP or IRP Update.

(Estimated time frame 9 months and beyond, moderate level of effort)

DESC will continue to work with stakeholders to review and revise as necessary its characterization of the high DSM case in its IRP modeling system. DESC’s characterization and modeling of the high DSM case should, at minimum, combine the high DSM case with alternative load forecasts that reflect non-DSM related trends in energy consumption. The Commission should also require DESC to include an action plan in its IRPs and IRP Updates that sets forth, as appropriate, specific steps and metrics on DESC’s expanded DSM programming.

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In the Matter of:)

South Carolina Energy Freedom Act)

(House Bill 3659) Proceeding)

Related to S.C. Code Ann. Section)

58-37-40 and Integrated Resource)

Plans for Dominion Energy South)

Carolina, Incorporated)

CERTIFICATE OF SERVICE

I certify that the following persons have been served with one (1) copy of Hearing Exhibit 16: Hill Late-Filed Exhibit Summarizing a DSM Action Plan by electronic mail and/or U.S. First Class Mail at the addresses set forth below:

Andrew M. Bateman
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
Email: abateman@ors.sc.gov

Belton T. Zeigler
Womble Bond Dickinson (US) LLP
1221 Main Street, Suite 1600
Columbia, SC 29201
Email: belton.zeigler@wbd-us.com

Benjamin L. Snowden
Kilpatrick Townsend & Stockton, LLP
4208 Six Forks Road, Suite 1400
Raleigh, NC 27609
Email: bsnowden@kilpatricktownsend.com

Carri Grube Lybarker
South Carolina Department of Consumer
Affairs
Email: clybarker@scconsumer.gov

Courtney E. Walsh
Nelson Mullins Riley & Scarborough LLP
Post Office Box 11070
Columbia, SC 29211-1070
Email: court.walsh@nelsonmullins.com

Dorothy E. Jaffe
Sierra Club
50 F Street NW, Floor I
Washington, D.C. 20001
Email: dori.jaffe@sierraclub.org

James Goldin
Nelson Mullins Riley & Scarborough LLP
1320 Main Street 17th Floor
Columbia, SC 29210
Email: jameygoldin@google.com

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
Email: jnelson@ors.sc.gov

K. Chad Burgess
Dominion Energy Southeast Services, Inc.
220 Operation Way - MC C222
Cayce, SC 29033
Email: chad.burgess@dominionenergy.com

Matthew W. Gissendanner
Dominion Energy Southeast Services, Inc.
220 Operation Way - MC C222
Cayce, SC 29033
Email:
matthew.gissendanner@dominionenergy.com

Nanette S. Edwards
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
Email: nedwards@ors.sc.gov

Richard L. Whitt
Whitt Law Firm, LLC
Post Office Box 362
Irmo, SC 29063
Email: richard@rlwhitt.law

Robert Guild
Robert Guild - Attorney at Law
314 Pall Mall Street
Columbia, SC 29201
Email: bguild@mindspring.com

Roger P. Hall
South Carolina Dept. of Consumer Affairs
Post Office Box 5757
Columbia, SC 29250
Email: rhall@scconsumer.gov

Weston Adams III
Nelson Mullins Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211
Email: weston.adams@nelsonmullins.com

October 21, 2020

/s/ Emily E. Selden